

Testimony of Daniel Walker, Preti Flaherty

On behalf of the Oxford Casino & Hotel, Churchill Downs Inc.

In Opposition to

Proposed Committee Amendment to LD 585, An Act To Restore to the Penobscot Nation and Passamaquoddy Tribe the Authority to Exercise Jurisdiction under the Federal Tribal Law and Order Act of 2010,

Amending Title to:

An Act to Enhance Tribal-State Collaboration, To Revise the Tax Laws Regarding the Houlton Band of Maliseet Indians, the Passamaquoddy Tribe, and the Penobscot Nation and to Authorize Off-track Betting Facilities and Federally Recognized Indian Tribes to Conduct Sports Wagering

Joint Standing Committee on the Judiciary

February 17, 2022

Senator Carney, Representative Harnett, Members of the Joint Standing Committee on the Judiciary, and Tribal Chiefs, my name is Dan Walker, and I am an attorney with Preti Flaherty, representing the Oxford Casino & Hotel in Oxford, Maine and have been representing them even before their approval in a statewide initiative in 2010. I testify today in opposition to the Proposed Committee Amendment to LD 585 – specifically Parts I and J of the Amendment, establishing a sports wagering program, including seven expanded sports wagering facilities at off-track betting parlors and exclusive licenses for the Tribes for widespread online sports betting in Maine.

We support the efforts of Maine’s Tribes toward self-determination and dignity, but not these specific provisions which exclude the existing casinos - good longtime partners of the State. Such exclusivity will harm the successful economic engine that has helped the turnaround of Oxford County and the Bangor region. There are only so many gaming dollars to go around in our small state.

Oxford Casino & Hotel opened for business June 6, 2012 on a 100-acre property along Route 26 in Oxford. In 10 years, the Casino has expanded three times, including a \$25 million investment in a 107-room hotel, 5,000 square foot multi-purpose event center, a new restaurant, and an expanded gaming floor. Currently, 963 slot machines and 30 table games are housed at the Casino, and three restaurants and two full bars operate on the property. Importantly, Oxford Casino employs over 375 Mainers – the vast majority with full benefits – bringing economic vitality to a region that sorely needs it, which is down from pre-pandemic employment numbers of over 450.

1. Proposal Excludes Casinos from Maine’s Sports Wagering Program

The current sports wagering proposal in LD 585, which we were only able to review 3 days ago, completely excludes from every aspect of the program the casinos, which have been good partners to the State and are the entities in Maine most able to handle such a broad expansion of gaming. The Oxford Casino is taxed at a rate close to 50% and provides a cascade of revenues to a number of worthy causes and programs. This cascade has provided millions upon millions of dollars in funding for K-12 education, college scholarships, the harness racing industry, the agricultural fairs, Fund for a Healthy Maine, the OTBs, and the Tribes. Specifically, the Oxford Casino has provided significant funding to the Tribes since 2012 – nearly \$25 million.

Attached to my testimony is a detailed description of the beneficiaries of the Oxford Casino, which extend both locally, regionally, and statewide.

Additionally, Maine currently has programs for problem gaming that are implemented and maintained by the casinos, including exclusion. They also work with the state to make sure overdue child support payments are collected. However, the beneficiaries of this new version of a sports wagering program do not have this level of experience with these basic levels of public protection.

The Oxford Casino is in the best position to advance the interests of the State, to protect the public, and to allow a sports wagering program to be implemented quickly and successfully, as its parent company, Churchill Downs has developed its own sports gaming program in other jurisdictions. The casinos are filled with security and Gambling Control Unit officials if any problems arise. Additionally, if the Executive Director of the Gambling Control Unit has any issues, he can walk into the office of Matt Gallagher (the General Manager of the Oxford Casino) and hold the Casino accountable.

2. Casino gaming is a successful economic engine for Oxford County, which will be hurt by this amendment.

Since Oxford Casino opened its doors in 2012, we have clearly seen the incredible economic benefits brought to the Town of Oxford, the region, and the State. A few facts worth noting for 2021:

- **Employees:** 375 (but, 450+ pre-pandemic)
- **Gaming taxes paid (state and local):** Over \$38.5M.
- **Estimated sales, hotel, beverage, and meal taxes paid:** \$709,000.

The success of Oxford Casino created an economic foundation, has lifted a poor region of Maine, and spurred additional business growth in Oxford, Western Maine, and beyond. Unemployment was nearly 11 percent in Oxford County back in 2012 but has dropped to 6 percent. Specifically, the Casino employs well over 200 Oxford County residents and over 100 Androscoggin County residents, as well as residents of Cumberland, Franklin, Penobscot, York, and Kennebec Counties. Employees have earned millions of dollars in wages and benefits, and well over \$50 million in taxes have been generated – boosting funding for essential services in

the region. A new hotel opened across Route 26, dining establishments continue to develop in the surrounding area, and needed business and public health infrastructure projects have come to fruition. Oxford Casino helped saved this part of Maine and gave these folks hope for financial stability.

We are still analyzing this 34-page amendment, with 20 pages dedicated to the sports wagering program. But what we do know is that expanding gaming in Maine, without including similar opportunities for the existing brick and mortar facilities, will hurt these facilities, stagnate their development, and cost jobs. It will harm the economic benefits they provide to their host communities and harm the successful economic engine for Oxford County, shifting dollars away from the Casino and the region. Finally, this bill will damage the long-standing cascade formula that has provided stability and funding to many worthwhile endeavors.

We ask that the Committee vote to include the casinos in this bill to be allowed to apply for both online and brick and mortar licenses. Or simply use an existing bill that is sitting on the table, LD 1352, to grow sports wagering and include all industry participants, including of course the Tribes.

Importantly, it is also crucial that the Committee of jurisdiction over gaming issues be provided an opportunity to review these very complex new provisions, as many of these discussions and questions and answers have already occurred.

Thank you for your time today and I would be happy to answer any questions.

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